

# Changes at CIA Will Give Agency Wider Role in Law Enforcement

## *Revisions Follow Mishandling of Information in Iraq Loans Scandal*

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The CIA's mishandling of information about a bank scandal involving loans to Iraq has led to internal changes that will give the agency an enhanced and possibly controversial role in future U.S. law enforcement activities, according to CIA officials and independent experts.

The internal revisions are aimed at breaching—without destroying—the political and bureaucratic barriers that traditionally have prevented the intelligence agency from assisting domestic law enforcement investigations. The barriers were erected to prevent the CIA from becoming involved in spying on U.S. citizens at home, which it is generally barred by law from doing.

Under the reforms, officials said, the agency could be tasked by federal prosecutors to collect evidence needed to bring indictments against foreign corporations or individuals for violations of U.S. laws. It also could be ordered to share more fully any information in its files relating to such investigations.

Both missions would depart somewhat from what have been the CIA's principal missions of informing U.S. policymakers about world events and influencing those events through covert activities.

The changes grew out of recommendations by CIA Inspector General Frederick P. Hitz, who concluded last month that "systemic, procedural and personal shortcomings" at the agency had ruined its collaboration with law enforcement officials probing \$4 billion in illicit loans to Iraq by the Atlanta branch of the Italian-owned Banca Nazionale del Lavoro.

Hitz determined that the CIA had improperly withheld some intelligence information bearing on a central question in the BNL scandal: whether officials at BNL's headquarters in Rome may have known of the loans. The intelligence reports suggested that some BNL-Rome officers were at least aware of the loans, but lacking access to the CIA's information, a team of prosecutors in Atlanta pinned the entire responsibility for the loans on the director of the BNL-Atlanta branch, Christopher Drogoul.

In a classified report, a summary of which was released by the agen-

cy last week, Hitz attributed the CIA's error in part to "a general bias against disclosing all relevant information in response to legitimate requests" from the Justice Department and other federal agencies.

Hitz urged the agency to develop new rules for reporting information that suggests criminal activities. He also urged the CIA's intelligence

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*The CIA inspector general has urged agency personnel to forge "strong and direct working relationships" with law enforcement officials.*

analysts and its operations personnel—who gather information and manage covert activities—to forge "strong and direct working relationships" with domestic prosecutors and law enforcement officials.

Hitz made clear that such ties should go beyond the CIA's long-standing policy of exchanging counterintelligence information with the Federal Bureau of Investigation and narcotics-related information with the Drug Enforcement Administration. As a model for what Hitz had in mind, a CIA official, who asked not to be named, cited the agency's contribution to the U.S. attorney's prosecution of former Panamanian dictator Manuel Antonio Noriega in Miami.

A separate report on the BNL scandal by the Senate Select Committee on Intelligence, also released last week, recommended more cautiously that the agency undertake a broad-ranging study of its ties to law enforcement agencies, including new mechanisms to ensure better coordination during criminal investigations.

Once CIA information becomes embroiled in a trial, the committee said, "the intelligence agency concerned should ensure that knowledgeable [CIA] officers are physically present [in the courtroom] to

provide guidance and assistance to the local prosecutors, and with Department of Justice concurrence, to the court" itself.

Former CIA director Robert M. Gates, before leaving office on Jan. 19, set the changes in motion by ordering the agency to develop guidelines for possible CIA collection, outside U.S. territory, of "information relating to potential or ongoing federal criminal investigations and prosecutions."

Alluding to the controversy such a move might cause, Gates ordered that a CIA task force work with the Justice Department to determine whether the new cooperative relationship that is envisioned would require amending existing legislation on intelligence-gathering, and thus, congressional approval.

R. James Woolsey, who was confirmed last week as the new CIA director and is to be sworn in today, declined through a spokesman yesterday to comment on Gates's action. But CIA officials said the changes will be pursued. The agency already has allocated funds to revamp its records system so information can be readily retrieved for use in law enforcement investigations.

Jeffrey T. Richelson, who has written several books on the U.S. intelligence community, said he has reservations about officials tasking the agency to gather intelligence on criminal suspects. "You're really getting into a quagmire—both morally and legally—and opening the door to a lot of pressure from other agencies," he said.

The Senate committee raised another concern in its report, noting that if CIA officials become involved in controversial criminal cases, "care must be taken" to ensure that their work is not "steered" to a desired conclusion.

The National Security Act of 1947, which established the CIA, states that "the agency shall have no police, subpoena, law enforcement powers, or internal security functions."

A spokesman for Sen. Dennis DeConcini (D-Ariz.), who became chairman of the intelligence panel last month, said yesterday that "evaluating and possibly expanding opportunities for cooperation" between the CIA and domestic law enforcement agencies is one of the senator's top priorities.